GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:784
ANSWERED ON:17.08.2007
INFLOW OF FUNDS TO NGOs
Scindia Shri Jyotiraditya Madhavrao

Will the Minister of FINANCE be pleased to state:

(a) the details of the regulations, guidelines laid down to regulate inflow of funds received by Non -Governmental Organisations (NGOs) and Voluntary Organisations;

(b) whether the Government is facing any problem posed by tremendous inflow of funds received by Non-Governmental Organisations and Voluntary Organisations;

(c) if so, the details thereof;

(d) whether any irregularity has been noticed in the utilization of funds by the Non- Governmental Organisations, Voluntary Organisations during the last three years:

(e) if so, the details thereof; and

(f) the action taken by the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) Under the Foreign Contribution (Regulation) Act, 1976, various NGOs in India are permitted to receive foreign contribution from foreign sources for bona-fide activities in cultural, economic, educational, social or religious fields after obtaining Registration or prior permission from Ministry Home Affairs, Government of India. Registration or Prior Permission to receive foreign funds under the Act is granted after due verification of activities and antecedents of office bearers of NGOs. Foreign funds are received through legal banking channels and are open to scrutiny and inspection.

(b) No, Sir.

(c) Question does not arise.

(d) to (f) Associations found violating the provisions of the Act are inspected and after conducting detailed inquiry are placed either in prohibited or prior permission category for accepting foreign contribution. The list of associations placed under prohibited / prior permission category is available on the Ministry of Home Affairs website http// www.mha.nic.in/fore.htm.